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SENATE

{ REPORT
105-96

LAND EXCHANGES IN COLORADO

OCTOBER 6, 1997.—Ordered to be printed

Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, submitted the following

REPORT

[To accompany S. 587]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 587) to require the Secretary of the Interior to exchange certain lands located in Hinsdale County, Colorado, having considered the same, reports favorably thereon with an amendment and recommends that the bill, as amended, do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. LARSON AND FRIENDS CREEK EXCHANGE.

(a) IN GENERAL.—In exchange for conveyance to the United States of an equal value of offered land acceptable to the Secretary of the Interior that lies within, or in proximity to, the Handies Peak Wilderness Study Area, the Red Cloud Peak Wilderness Study Area, or the Alpine Loop Backcountry Bi-way, in Hinsdale County, Colorado, the Secretary of the Interior shall convey to Lake City Ranches, Ltd., a Texas limited partnership (referred to in this section as “LCR”), approximately 560 acres of selected land located in that county and generally depicted on a map entitled “Larson and Friends Creek Exchange”, dated June 1996.

(b) CONTINGENCY.—The exchange under subsection (a) shall be contingent on the granting by LCR to the Secretary of a permanent conservation easement, on the approximately 440-acre Larson Creek portion of the selected land (as depicted on the map), that limits future use of the land to agricultural, wildlife, recreational, or open space purposes.

(c) APPRAISAL AND EQUALIZATION—

(1) IN GENERAL.—The exchange under subsection (a) shall be subject to—

(A) the appraisal requirements and equalization payment limitations set forth in section 206 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1716); and

(B) reviews and approvals relating to threatened species and endangered species, cultural and historic resources, and hazardous materials under other Federal laws.

(2) COSTS OF APPRAISAL AND REVIEW.—The costs of appraisals and reviews shall be paid by LCR.

(3) CREDITING.—The Secretary may credit payments under paragraph (2) against the value of the selected land, if appropriate, under section 206(f) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1716(f)).

PURPOSE OF THE BILL

The purpose of S. 587, as ordered reported, is to direct an equal value exchange of approximately 560 acres of Federal lands in Colorado for private inholdings within the Handies Peak or Red Cloud Peak Wilderness Study Areas or the Alpine Loop Backcountry Bi-way.

BACKGROUND AND NEED FOR LEGISLATION

S. 587 request the Secretary of the Interior to transfer approximately 560 acres of land currently managed by the Bureau of Land Management (BLM) near Hinsdale, Colorado, to Lake City Ranches, Ltd (LCR), a Texas limited partnership. In return, the BLM will receive lands of equal value within the Handies Peak or Red Cloud Peak Wilderness Study Areas or the Alpine Loop Backcountry Bi-way. The exchange must be acceptable to the Secretary of the Interior and is contingent upon LCR granting a permanent conservation easement on approximately 440 of the 560 acres offered for exchange by the BLM. The permanent conservation easement will limit future use of the 440 acres to agricultural, wildlife, recreational, or open space purposes. The inholdings offered for exchange by LCR will consolidate existing BLM lands located within the boundaries of, or in proximity to, either the Handies Peak or Red Cloud Wilderness Study Areas or along the Alpine Loop Backcountry Bi-way. Acquiring existing inholdings within areas such as these is a top priority of the BLM. Furthermore, the 560 acres offered for exchange by the BLM to LCR are surrounded by private property, thereby limiting public access and use.

This land exchange has wide support and is currently endorsed by environmental groups, such as the Wilderness Society, the Rocky Mountain Chapter of the Sierra Club, and the Colorado Environmental Coalition, as well as local government entities, such as Club 20 (an association of 20 counties in Colorado) and the Hinsdale County Board of County Commissioners.

SUMMARY OF MAJOR PROVISIONS

S. 587 requires the Secretary of the Interior to exchange approximately 560 acres of land near Hinsdale, Colorado, to Lake City Ranches, Ltd (LCR), a Texas limited partnership. The land exchange is subject to the standard appraisal requirements and to reviews and approvals relating to threatened or endangered species, hazardous materials, and cultural and historic resources. The costs of the appraisals will be paid by LCR. However, the Secretary may credit such payments against the value of the selected land pursuant to applicable law. In exchange for this conveyance, the United States will receive land of equal value acceptable to the Secretary of the Interior that lies within, or in proximity to, the Handies Peak Wilderness Study Area, the Red Cloud Peak Wilderness Study Area, or the Alpine Loop Backcountry Bi-way in Hinsdale County. This exchange is contingent upon Lake City Ranches

granting a permanent conservation easement on approximately 440 acres of the land it receives pursuant to the exchange.

LEGISLATIVE HISTORY

S. 587 was introduced by Senator Campbell on April 16, 1997. On June 18, 1997, the Subcommittee on Forests and Public Land Management held a hearing on S. 587. At the business meeting on September 24, 1997, the Committee on Energy and Natural Resources ordered S. 587, as amended, favorably reported. A companion bill, H.R. 951, passed the House by voice vote on July 8, 1997.

COMMITTEE RECOMMENDATION AND TABULATION OF VOTES

The Committee on Energy and Natural Resources, in open business session on September 24, 1997, by a unanimous voice vote of the quorum present, recommends that the Senate pass S. 587, if amended as described herein.

COMMITTEE AMENDMENT

During the consideration of S. 587, the Committee adopted an amendment in the nature of a substitute that incorporates changes recommended by the Administration and makes technical and clarifying modifications.

COST AND BUDGETARY CONSIDERATIONS

The cost and budgetary considerations prepared by the Congressional Budget Office are as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 26, 1997.

Hon. FRANK H. MURKOWSKI,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 587, a bill to require the Secretary of the Interior to exchange certain lands located in Hinsdale County, Colorado.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Victoria V. Heid.

Sincerely,

JUNE E. O'NEILL, *Director.*

Enclosure.

S. 587—A bill to require the Secretary of the Interior to exchange certain lands located in Hinsdale County, Colorado

CBO estimates that enacting this bill would have no significant impact on the federal budget. Because S. 587 could affect direct spending, pay-as-you-go procedures would apply; however, CBO estimates that any such effects would be negligible. S. 587 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995 and would have no significant impact on the budgets of state, local, or tribal governments.

S. 587 would require the Secretary of the Interior to convey about 560 acres of federal land to Lake City Ranches, Ltd. (LCR), if LCR conveys to the federal government land of equal value that is acceptable to the Secretary. The bill would require LCR to cover the costs of any appraisals or other reviews required to complete the exchange, but also provides that the costs of such appraisals and reviews may be credited against the value of the federal land to be acquired by LCR. Because there may be some grazing and right-of-way permits on the federal land to be exchanged, enacting S. 587 could have a small effect on offsetting receipts to the government. Based on information from the Bureau of Land Management (BLM), CBO estimates that any such budgetary effects would be negligible.

According to BLM, the provisions of S. 587 could be implemented through administrative action except that under current law about 440 acres of the federal land are designated as a wilderness study area (WSA). Enacting this bill would require the Secretary to convey the federal land despite its WSA status, thereby allowing the land exchange to go forward. The bill would make the exchange contingent upon LCR granting to the Secretary a permanent conservation easement on the 440 acres of federal land that currently have WSA status.

The CBO staff contact for this estimate is Victoria V. Heid. This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

REGULATORY IMPACT EVALUATION

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying out S. 587. The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses.

No personal information would be collected in administering the program. Therefore, there would be no impact on personal privacy.

Little, if any, additional paperwork would result from the enactment of S. 587, as ordered, reported.

EXECUTIVE COMMUNICATIONS

The Administration testified in favor of the legislation at a June 18, 1997 hearing held by the Subcommittee on Forests and Public Land Management. Legislative reports from the Department of the Interior, and the Office of Management and Budget setting forth Executive agency recommendations on S. 587 were unavailable when the report was filed. When these reports become available, the Chairman will request that they be printed in the Congressional Record for the advice of the Senate.

The Administration testimony is attached.

STATEMENT OF MAT MILLENBACH, DEPUTY DIRECTOR,
BUREAU OF LAND MANAGEMENT

Mr. Chairman and members of the Subcommittee, I appreciate the opportunity to appear here today to discuss S. 587, a bill to require the Secretary of the Interior to exchange certain lands located in Hinsdale, Colorado.

S. 587

The BLM supports S. 587 which would allow for the completion of a significant land exchange in Hinsdale County, Colorado. This land exchange, beneficial both to the public and the local community, cannot be completed without legislation.

The bill provides for an equal value exchange of three parcels of public land involving 560 acres for private lands in Hinsdale County, Colorado. Legislation will solve a land status restriction preventing the exchange of two of the parcels containing 440 acres that are within the Larson Creek Wilderness Study Area (WSA) and are subject to wilderness interim management restrictions. When the adjacent lands were designated a part of the Uncompahgre Wilderness Area and incorporated into the adjacent Uncompahgre National Forest as part of 1993 Colorado Wilderness Bill (P.L. 103-77), these 440 acres were neither designated wilderness nor were they released from wilderness Interim Management Policy (IMP) restrictions. The IMP requires that the lands remain in Federal ownership. Since that legislation became law, we have determined that these lands are not best suited for continued Federal ownership and management. These particular parcels are isolated and difficult and uneconomic for BLM to manage because they are bordered on three sides by private land owned by Lake City Ranches (LCR), totally restricting access.

The exchange is contingent upon LCR granting the Secretary of the Interior a permanent conservation easement on the 440 acre "Larson Creek Portion"—which currently has WSA status. The conservation easement will limit the future use of the "Larson Creek Portion" to agricultural, wildlife, recreational, or open space purposes, thereby protecting the existing resource values on these lands.

The bill provides that the BLM will acquire private inholdings within or adjacent to the Handies Peak or Red Cloud WSAs or along the Alpine Loop Backcountry Byway in Hinsdale County. The exact lands are not described in the bill because the legislation provides for a full analysis of the transaction including resource assessments and appraisals. LCR has options on eight properties which the BLM in Colorado is currently reviewing. The WSW's and backcountry byway described in the bill are among the BLM Gunnison Resource Area's highest priority land acquisitions because of the important wilderness, wildlife, and recreational values.

The bill provides for an equal value exchange which will require appraisals of both the public and private lands. The lands will be appraised to federal appraisal standards by an appraiser acceptable to both BLM and LCR. A NEPA analysis will be completed as will all required resource clearances (e.g., threatened and endangered species, cultural and historic resources, and hazardous materials). The bill provides that the cost of the analysis and clearance will be paid by LCR. These costs may subsequently be credited against the value of the public land, if appropriate.

This proposal is supported by the Hinsdale County Commissioners, Sierra Club, Rocky Mountain Chapter, and Colorado Environmental Coalition.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee notes that no changes in existing law are made by the Act S. 587, as ordered reported.

